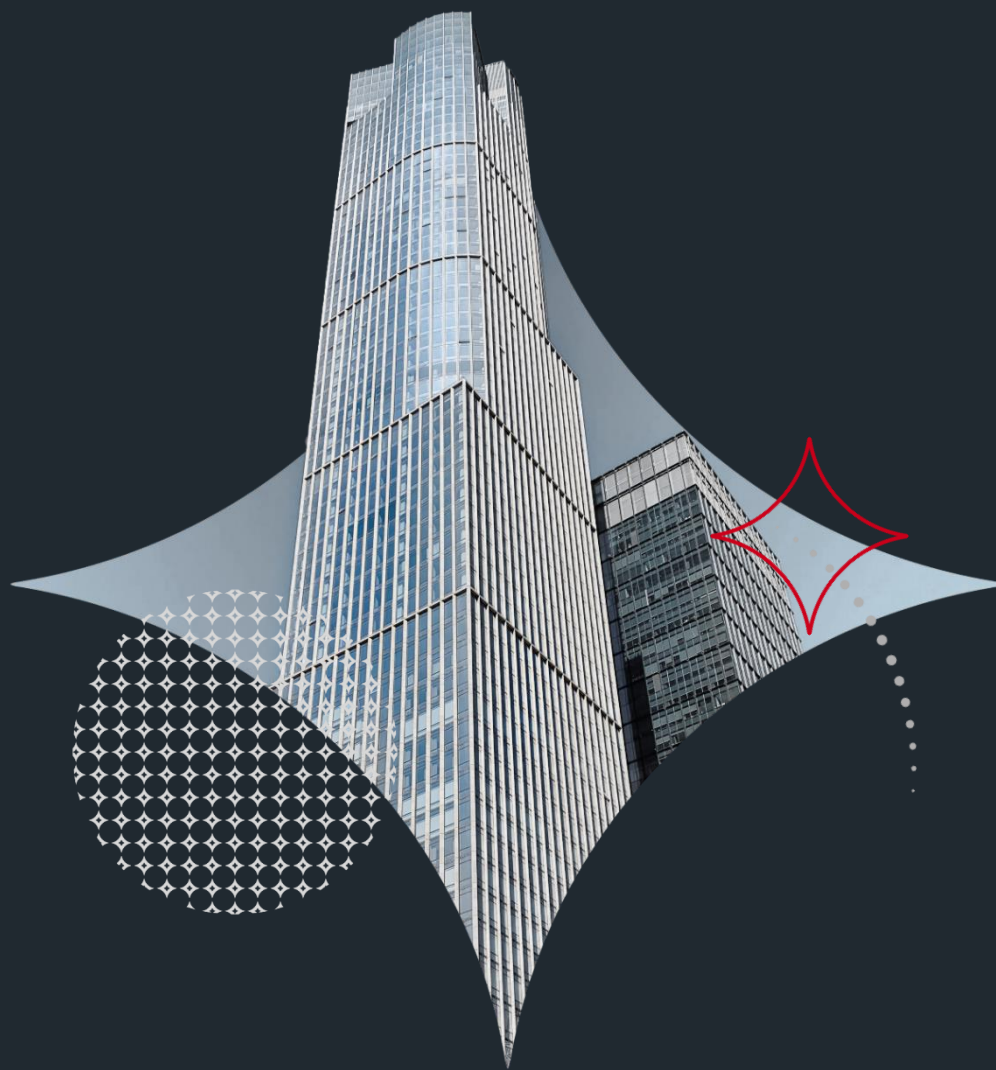


FX Forecast Chamber FX March 2024



moneycorp 

Welcome to March's FX forecast



Here, we outline the major exchange rate forecasts on our three most traded currency pairs. Forecasts are submitted to Bloomberg Analytics by many large banking institutions, offering us a broad view on the prevailing market consensus. We have distilled the average, highest and lowest forecasts from the entirety of the submissions made to Bloomberg over the last month. However, we've highlighted the forecasts provided by 15 prominent financial institutions.

At Moneycorp, we're committed to reinventing how businesses, financial institutions, and consumers securely navigate the global payments market.

I hope you find this document useful, and I look forward to helping you with your FX requirements for the months ahead.

Damon Ellam

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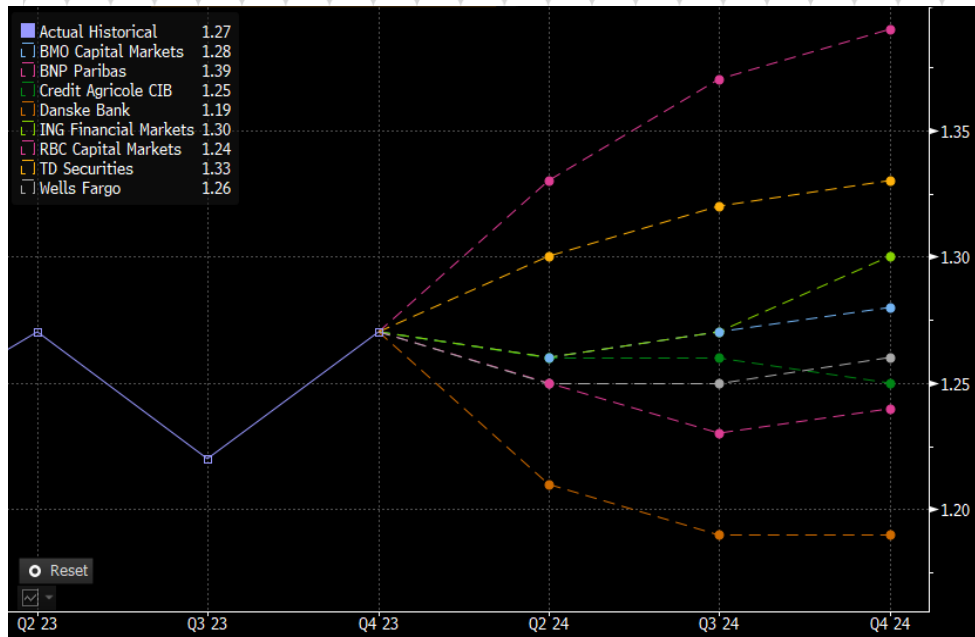
GBP/USD

	Q2 24	Q3 24	Q4 24
Mean	1.27	1.28	1.29
High	1.35	1.37	1.39
Low	1.21	1.19	1.19

- The pound has been fairly flat in recent months, with a range between the high and low of just 2.5 cents in the last 3 months.
- Although we saw the UK GDP figures released in Feb confirming that the UK entered a technical recession at the end of 2023, we also witnessed a robust jobs report, with the unemployment rate falling from 4.2% to 3.8%. Additionally, retail sales figures rebounded strongly following a very poor Christmas period.
- Bank of England kept interest rates on hold in Feb, signalling that a cut in interest rates is not imminent, although they believe that inflation may fall below 2% in Spring before rising again. They also believe that the UK recession may be over already.



Financial Institution	Q2 24	Q3 24	Q4 24
Nomura Bank International	1.28	1.28	1.28
ING Financial Markets	1.26	1.27	1.3
BNP Paribas	1.33	1.37	1.39
TD Securities	1.3	1.32	1.33
Rabobank	1.25	1.27	1.29
Banco Santander	1.25	1.27	1.28
Commerzbank	1.25	1.26	1.25
Wells Fargo	1.25	1.25	1.26
Credit Agricole CIB	1.26	1.26	1.25
Citigroup	1.25	1.22	1.22
Danske Bank	1.21	1.19	1.19
BMO Capital Markets	1.26	1.27	1.28
UniCredit	1.26	1.27	1.28
RBC Capital Markets	1.25	1.23	1.24
NAB/BNZ	1.35	1.34	1.35

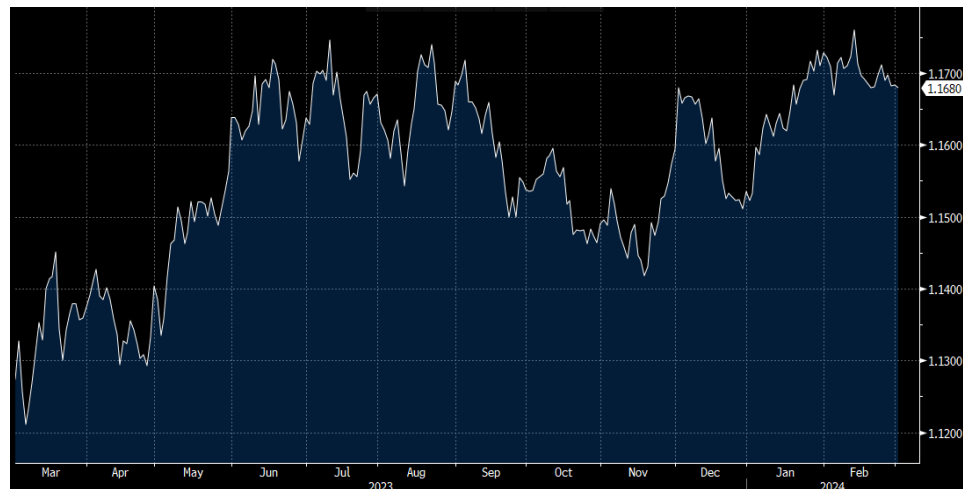




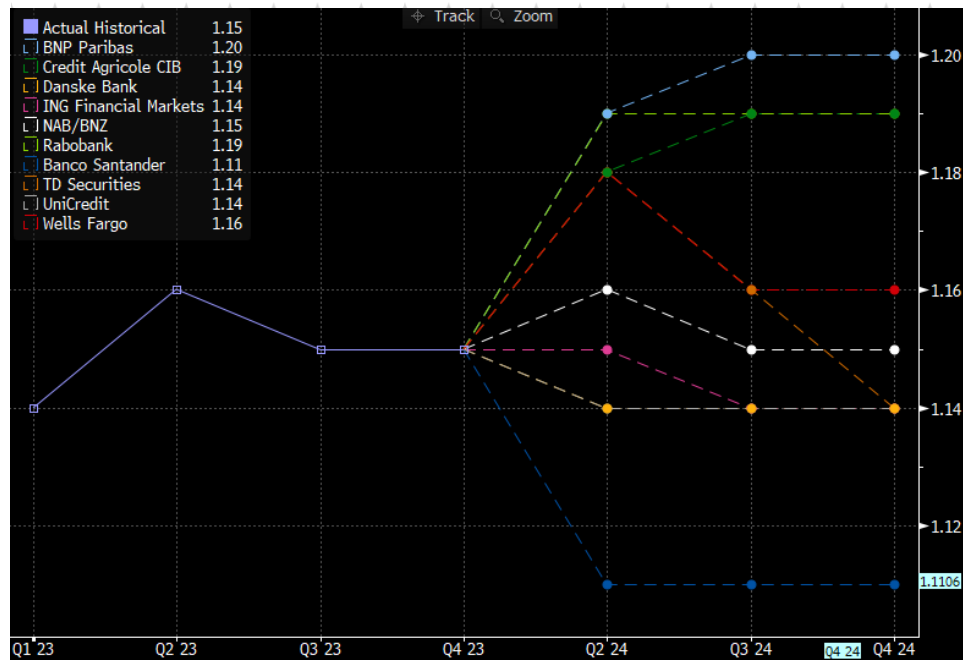
GBP/EUR

	Q2 24	Q3 24	Q4 24
Mean	1.16	1.16	1.15
High	1.22	1.22	1.22
Low	1.11	1.11	1.11

- GBP/EUR has managed to hold on to most of the gains it made in Jan and hit a 6-month high in the middle of Feb.
- Most of the move has been driven by euro weakness, after a surprisingly strong US jobs report at the start of Feb meant the ECB are now favourite to cut interest rates first.
- The manufacturing sectors in the UK and eurozone continued to show contraction, however this is a much bigger concern for Germany and France whose economies are more reliant on the manufacturing sector and declining the more severely.



Financial Institution	Q2 24	Q3 24	Q4 24
Nomura Bank International	1.19	1.19	1.19
ING Financial Markets	1.15	1.14	1.14
BNP Paribas	1.19	1.20	1.20
TD Securities	1.18	1.16	1.14
Rabobank	1.19	1.19	1.19
Banco Santander	1.11	1.11	1.11
Commerzbank	1.15	1.14	1.14
Wells Fargo	1.18	1.16	1.16
Credit Agricole CIB	1.18	1.19	1.19
Citigroup	1.19	1.18	1.18
Westpac Banking	1.15	1.14	1.14
Danske Bank	1.14	1.14	1.14
UniCredit	1.14	1.14	1.14
RBC Capital Markets	1.18	1.16	1.15
NAB/BNZ	1.16	1.15	1.15





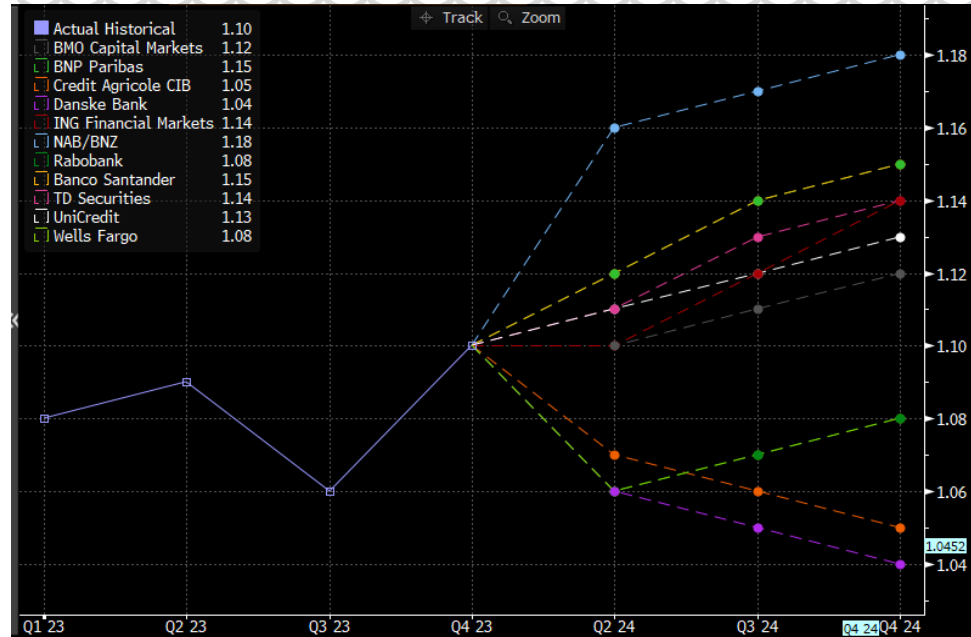
EUR/USD

	Q2 24	Q3 24	Q4 24
Mean	1.10	1.10	1.12
High	1.16	1.17	1.19
Low	1.04	1.03	1.04

- The US jobs report at the beginning of February surpassed even the most optimistic forecasts by adding 353k jobs, nearly double the average estimate. This further strengthened the belief that the US economy is considerably more resilient and tolerant of higher rates than previously assumed, significantly impacting the market's interest rate expectations.
- Prior to the jobs report the markets were pricing-in a 97% chance of the Fed cutting rates in May, however that has since moved to 22%, making the ECB now favourite to cut rates first (in June).
- It will be interesting to hear Christine Lagarde's comments on Thursday 7th March to see if the latest inflation figures have made any impact on her guidance to the future path of interest rates.



Financial Institution	Q2 24	Q3 24	Q4 24
Nomura Bank International	1.09	1.08	1.08
ING Financial Markets	1.10	1.12	1.14
TD Securities	1.11	1.13	1.14
Rabobank	1.06	1.07	1.08
Banco Santander	1.12	1.14	1.15
Commerzbank	1.09	1.11	1.10
Wells Fargo	1.06	1.07	1.08
Credit Agricole CIB	1.07	1.06	1.05
Citigroup	1.06	1.03	1.04
Danske Bank	1.06	1.05	1.04
BMO Capital Markets	1.10	1.11	1.12
UniCredit	1.11	1.12	1.13
Sumitomo Mitsui Trust Bank	1.09	1.08	1.09
RBC Capital Markets	1.06	1.06	1.08
NAB/BNZ	1.16	1.17	1.18



Let's talk.

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Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies.

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